

Explains the Facts and the Benefits of Reform

April 3, 2010

Drexel Hill, PA — Congressman Joe Sestak (PA-07) led an open dialogue about the newly-signed health care reform law at the Collenbrook United Church in Drexel Hill. The town hall gave the Congressman an opportunity to meet with his constituents to address their concerns and to ensure they understand the impact of this new law.

“Health care is the most personal of any public policy and it understandably evokes profound emotion, as we have seen throughout the current debate,” said Congressman Sestak. “While I believe that the reform signed into law last week will strengthen our nation and extend health care to millions of families, the road leading to this point has been long and difficult, and at times, the process and the debate fell short of what Congress owes the American people. This event, in addition to the others like it and the services I will continue to provide to my constituents, are an effort to reestablish people’s faith in their federal institutions as we look to the future of America, together.”

In the 7th Congressional District, the new health care law would:

- Improve coverage for 508,000 residents with health insurance;
- Give tax credits and other assistance to up to 107,000 families and 15,200 small businesses to help them afford coverage;
- Improve Medicare for 111,000 beneficiaries, including closing the donut hole;
- Guarantee that 5,200 residents with pre-existing conditions can obtain coverage;
- Protect 500 families from bankruptcy due to unaffordable health care costs;
- Allow 48,000 young adults to obtain coverage on their parents' insurance plans;
- Reduce the cost of uncompensated care for hospitals and other health care providers by \$24 million annually.

A constant supporter of comprehensive health care reform, Congressman Sestak first ran for Congress in 2006 to ensure that all families have access to the same high quality care that his daughter received from TRICARE, after his 31 year career in the Navy.

“No more will Americans be denied coverage because of pre-existing conditions,” said Congressman Sestak. “Nor can women be charged more than men because of their gender and we finally address the economic necessity of bringing down the rising costs of care and lowering the deficit.

“This is a historic effort. We owe it to the public to answer their questions openly. Anyone should be proud to stand up and promote all of the good that this law will do.”

More details about key provisions that take effect over the course of the next year:

Immediate Benefits for Those Currently Privately Insured:

- Prohibits discrimination against children with pre-existing conditions. Starts in September 2010. Beginning in 2014, this prohibition would apply to adults as well;
- Prohibits insurers from dropping coverage when you get sick due to a previous administrative error. Starts in September 2010;
- Prohibits health plans from placing lifetime caps or unreasonable annual caps on coverage. Starts in September 2010;
- Eliminates co-payments for preventive services. Starts in September 2010;
- Ensures consumers in new plans have access to an internal and independent external appeals process to appeal decisions. Starts in September 2010;
- Insurers must put more of your premiums into your care, and less into profits and administration. Requires plans in the individual and small group market to spend 80 percent of premiums on medical services, and plans in the large group market to spend 85 percent;
- Plans that do not meet these standards must rebate the difference to policyholders. Starts in January 2011.

Immediate Benefits for Seniors:

- Begins to close the Medicare Part D donut hole — In 2010, provides a \$250 rebate to seniors who hit the donut hole, where seniors are required to pay the full cost of their drugs. In 2011, provides a 50% discount on brand name drugs in the donut hole;
- Completely phases out the donut hole by 2020;
- Eliminates co-payments for preventive services in Medicare. Starts in January 2011.

Immediate Benefits for the Uninsured:

- Provides immediate help to the uninsured with pre-existing conditions by establishing interim high-risk pools, starting in June 2010. For your reference, beginning in 2014, health plans are prohibited from discriminating against all people with pre-existing conditions, and those individuals would be eligible for health insurance affordability credits, so high-risk pools are phased out.

Immediate Benefits for Students:

- Extends coverage for young people up to 26th birthday through their parents' insurance. Starts in September 2010.

For Small Businesses:

- Offers tax credits to small businesses to make employee coverage more affordable. Tax credits of up to 35 percent of premiums will be immediately available. Beginning in 2014, small business tax credits will cover 50 percent of premiums.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's

anti-terrorism unit that established strategic and operations policies for the “Global War on Terrorism.” He served as President Clinton’s Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.

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